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Director, Public Affairs

8 August 1986

Mr. Lynn P. Whittaker
Director of Seminars
and Publications
John F. Kennedy School
of Government
79 John F. Kennedy Street
Cambridge, MA 02138

Dear Mr. Whittaker:

Thank you for the copy of Stephen Flanagan's article, "Managing the Intelligence Community." It is a useful piece of work.

Sincerely,

George V. Lauder
Director, Public Affairs

HARVARD UNIVERSITY

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July 11, 1986

Mr. George V. Lauder
Director, Public Affairs
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Lauder:

As you know, the collection and analysis of intelligence data play a critical role in U.S. foreign and defense policymaking. We would like to call your attention to a recent CSIA publication examining this role, on the occasion of its being named the best scholarly article of the year on the subject of intelligence by the National Intelligence Study Center of Washington, D.C.

Written by Stephen Flanagan, currently the Center's Executive Director and a former Professional Staff Member of the Senate Intelligence Committee, the article examines the evolution and current organization of the Intelligence Community, assesses the collection and analysis process, and offers a series of recommendations for improving the process and its product.

We hope that you will take the time to read the article and will keep it on file for reference in your future work.

Sincerely,

Lynn Whittaker

Lynn Whittaker

Enclosures

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AWARD FOR SCHOLARLY ARTICLE

CITATION

The National Intelligence Study Center Award for the best scholarly article, published in 1985 and written by an American author on the subject of intelligence, is presented to Stephen J. Flanagan for his excellent essay entitled "Managing the Intelligence Community". It is published in the journal International Security (Volume 10, Number 1, Summer 1985, pp. 58-95). Dr. Flanagan is Executive Director of the Center for Science and International Affairs, Harvard University, and was a Professional Staff Member of the Select Committee on Intelligence of the United States Senate from 1978 to 1983.

This article is an extensive review of the problems of supervision and coordination of the United States national collection and analysis efforts and is based in large measure on the author's first-hand experience with the early workings of Congressional oversight of the United States Intelligence Community. It examines the difficulties of organization and management which have arisen within the Intelligence Community in connection with the complex intelligence collection and analysis processes. Tracing the evolution of the management roles of the President, the Director of Central Intelligence, and the National Intelligence officers in intelligence production procedures, as well as the contributions of the President's Foreign Intelligence Advisory Board and the Office of Management and Budget, the author considers the quality of the resulting estimative product and finds it, while not without fault, to be competent and improving.

This Award reflects high credit on Dr. Flanagan for his timely and constructive contribution to the ongoing debate on the United States intelligence process. The National Intelligence Study Center is privileged to recognize this very creditable work of scholarship.

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Managing the Intelligence Community

Stephen J. Flanagan

The process by which foreign intelligence required by senior American policymakers is collected and analyzed has been the subject of intense controversy since the modern intelligence community was established in the early stages of the Cold War. While the specific lines of battle have changed over the years, a fundamental dilemma has endured. The National Security Act of 1947 established several mechanisms to coordinate intelligence activities under the authority of the Director of Central Intelligence (DCI). However, the various departmental entities that have intelligence missions must retain a fair degree of independence from the DCI in order to serve their unique departmental needs. Consequently, component agencies have resisted broad surrender of resource allocation, information collection, and reporting prerogatives to either the DCI or interagency committees. While this situation complicates the coordination process, creation of an "intelligence czar" with absolute command over all functions would have many undesirable consequences that would vitiate possible benefits of streamlined management. Nonetheless, the Intelligence Community's disparate activities must be carefully *coordinated* under the leadership of a forceful DCI if they are to serve the most important, national-level, "consumers" of their data effectively.

After some wrenching but vital reforms during the last decade, the structures for assembling, processing, and reporting national intelligence have evolved into generally sound—albeit sometimes ineffectively managed—means for providing policymakers with critical data in a timely fashion. The DCI's authority and capability to manage the Community's budget and collection activities, which were reduced by the Reagan Administration, should be restored to 1980 levels. However, further alterations in the Commu-

The author is grateful to Anne Karalekas and Duncan L. Clarke for helpful comments on an earlier draft of this article, and to the International Institute for Strategic Studies and the Council on Foreign Relations for support during its completion. The views expressed here are the author's own.

This article is a slightly revised version of a chapter in *Public Policy Studies: A Multi-Volume Treatise*, Vol. 5: *Public Policy and Political Institutions: Foreign Policy*, ed. Duncan L. Clarke (Greenwich, Conn.: JAI Press, 1985). It is reprinted here with permission of JAI Press.

Stephen J. Flanagan is Assistant Director of the Center for Science and International Affairs, Harvard University. He was a Professional Staff Member of the U.S. Senate Select Committee on Intelligence from 1978 to 1983.

nity's analytic elements during the next few years would be counterproductive.

Those improvements required to ensure that policymakers are routinely provided with timely, relevant, and objective intelligence assessments are not dramatic, nor do they require bureaucratic restructuring. The first task is to ensure that the various and often constructively competitive centers of analysis continue to have adequate human and financial resources to perform their departmental and national missions. Interagency mechanisms for coordinating intelligence production and collection should be strengthened. Analysts throughout the Community should be more fully apprised of the informational needs of senior decision-makers, while remaining adequately insulated from pressures to serve policy goals. The Intelligence Community should always have at its helm an individual with broad experience in national security affairs who enjoys the respect of and access to the President as well as the confidence of Congress. Moreover, it is critical that the DCI not become so immersed in the details of clandestine operations or an administration's political agenda that management of the interagency process founders and the Community's analytic products lose credibility.

Given the magnitude of the Community's overall activities and the dearth of authoritative unclassified data on such functions as technical information collection and clandestine operations, this essay focuses primarily on whether current and past organizational structures for collection and analysis have served consumers well. It reviews the management of national collection and production requirements and the process of assembling major estimates. It also considers the development of the National Foreign Intelligence Program (NFIP) budget and of relations between analytic and collection/processing components of the Community. This essay also explores how interactions between the executive and legislative branches and the Intelligence Community affect the analytic process.

Some observers argue that intelligence failures are both inevitable and impervious to simple organizational reshaping. Others believe that only fundamental structural change of the Community can avoid such shortcomings.[1] This essay proceeds from the premise that while intelligence failures are unavoidable, some organizations are better than others at educating and

1. Richard K. Betts, "Analysis, War and Decision: Why Intelligence Failures Are Inevitable," *World Politics*, Vol. 31, No. 1 (October 1978), pp. 73–89. The case for significant structural change in the Intelligence Community is made in Allan E. Goodman, "Dateline Langley: Fixing the Intelligence Mess," *Foreign Policy*, No. 57 (Winter 1984–85), pp. 160–179.

warning policymakers. Such a review seems particularly timely at the outset of the Reagan Administration's second term. That administration has implemented significant alterations in the structure of the Community and the Central Intelligence Agency's Directorate of Intelligence (DDI) that will have an enduring impact on collection management, budgeting, and analysis.

Structure of the Intelligence Community

Anyone who has had even limited contact with the several agencies and entities of the U.S. government known collectively as the Intelligence Community has undoubtedly been struck by the fact that this term connotes a good deal more harmony and commonality of goals and views than actually exists. Indeed, tribal and feudal metaphors often seem more appropriate in describing how the various collection, processing, and analytic organizations interact with one another and with policymakers. As head of the Community, the DCI presides over an often unruly collective of independent-minded organizations, most of which are also subordinate to another cabinet-level official. Statutes and executive orders notwithstanding, the DCI must often lead by building consensus.

The Intelligence Community consists of the dozen agencies and department subcomponents that are involved in foreign intelligence or counterintelligence activities.[2] The DCI has statutory and other authority for the coordination of all intelligence activities of the government. To assist him in the conduct of these Community resource management, collection tasking, production evaluation, and long-range planning functions, the DCI has a support organization known as the Intelligence Community Staff (IC Staff).

2. The most current, official description of the Intelligence Community's organizational structure and missions is contained in Executive Order 12333, "United States Intelligence Activities," which is included with other documents on the Community in U.S. Congress, House of Representatives, Permanent Select Committee on Intelligence [hereinafter cited as HPSCI], *Compilation of Intelligence Laws and Related Laws and Executive Orders of Interest to the National Intelligence Community*, Committee Print, 98th Cong., 1st sess., April 1983, pp. 308–321. The most comprehensive collection of public documents on the intelligence agencies' structures and histories through 1976 is included in Tyrus G. Fain, ed., *The Intelligence Community: History, Organization, and Issues* (New York: R.R. Bowker, 1977). This compendium includes part of the authoritative history of the CIA prepared by Anne Karalekas for the Senate Intelligence Committee. An official description of the DIA can be found in U.S. Department of Defense, Defense Intelligence Agency, "DIA Organization, Mission and Key Personnel," Document RCC-2600-926 B-81, October 1981. A description of the Bureau of Intelligence and Research is found in U.S. Department of State, "INR: Intelligence and Research in the Department of State," Department of State Publication 9157, October 1980.

The principals of all the components of the Intelligence Community form a body known as the National Foreign Intelligence Board (NFIB), which is chaired by the DCI. The NFIB and other senior interagency bodies assist the DCI in the review and coordination of national intelligence production and in establishing intelligence policy, requirements, priorities, and plans. The National Intelligence Council (NIC)—the body composed of the National Intelligence Officers (NIOs), their assistants, and its Analytic Group—coordinates the development of major interagency intelligence production, serves as a point of contact with senior policymakers, and advises the DCI on collection and analysis issues.

The Central Intelligence Agency (CIA) has the broadest mandate of all Community components. It also supports the DCI in the performance of his Community coordination functions. The CIA is involved in the production of a broad array of finished intelligence reports, has primary responsibility for clandestine collection of foreign intelligence and the conduct of counterintelligence activities abroad, and develops new technical collection systems.

The bulk of intelligence resources and personnel are in the Department of Defense (DoD). The Defense Intelligence Agency (DIA) provides intelligence and counterintelligence support to the Office of the Secretary of Defense, the Joint Chiefs of Staff (JCS), and the Unified and Specified Commands; coordinates the intelligence activities of the military services—including their contribution to national intelligence products; and manages the Defense Attache System. The National Security Agency (NSA) is responsible for the operation of the consolidated signals intelligence (SIGINT) and communications security activities of the government. The Army, Navy, Air Force, and Marine Corps all have foreign intelligence and counterintelligence collection, processing, and reporting components that support national, departmental, and service needs. In addition, DoD houses the offices for the consolidated reconnaissance programs that collect specialized intelligence.

In the Department of State, the Bureau of Intelligence and Research (INR) produces a broad array of finished intelligence tailored to departmental needs and participates in the development of national intelligence reports, particularly those on political and politico-military issues. INR also coordinates the State Department's relations with other foreign intelligence agencies and distributes reports from U.S. diplomatic and consular posts abroad to the Community. The Department of Energy Intelligence Program collects information from open sources on foreign energy matters, which it combines with intelligence data to produce finished reports. The Department of Energy also

intelligence data to produce finished reports. The Department of Energy also provides technical and analytic research capabilities, particularly on nuclear issues, to other NFIP organizations. The Department of the Treasury maintains a small intelligence unit, which collects openly available financial, monetary, and (in cooperation with State) economic data that is exploited in conjunction with intelligence data to produce reports for departmental officials and use in national intelligence products. The Drug Enforcement Agency collects and produces intelligence on the foreign aspects of narcotics production and trafficking in coordination with other government entities with responsibilities in this area.[3]

Oversight of intelligence activities is performed by several executive and legislative branch entities. Of course, all intelligence activities are carried out under the direction and supervision of the National Security Council (NSC) and its staff. The President receives general counsel on the conduct and performance of the Community from his Foreign Intelligence Advisory Board (PFIAB). The Intelligence Oversight Board (IOB) is a panel of private citizens charged with monitoring, through the offices of Community inspector generals and general counsels, the propriety and legality of intelligence activities. Both the Senate and the House established permanent intelligence oversight committees in the mid-1970s, which authorize the budgets of the Community; monitor analysis and production functions; oversee and advise the President and the DCI on the conduct of "special" (clandestine) activities; and develop legislation guiding and regulating Community operations, particularly those that could infringe on the rights of American citizens. Congress also appropriates all money expended by the Community and has access to intelligence reporting and briefings.

The Intelligence Production Cycle in Theory and Practice

In theory, the intelligence production cycle—that is, the process by which information is acquired and converted into an assessment or estimate—begins and ends with the policymakers who are the "consumers" of this information. Ideally, policymakers advise the managers of the Intelligence Community's collection and production organization of their informational needs.

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3. The Federal Bureau of Investigation is not involved in positive foreign intelligence collection; rather, it has primary responsibility for foreign counterintelligence and counterterrorism activities within the United States.

In practice, it is often up to the DCI, the NIOs, and managers in production organizations to gauge and anticipate policymakers' needs. This is because policymakers have never been particularly diligent or effective in articulating their informational needs. Illustrative of policymakers' shortcomings in this regard is a remark attributed to Henry Kissinger: "I don't know what kind of intelligence I want, but I know when I get it."[4] Moreover, senior officials have little time to consider the kind of information they might require when prospective crises finally surface at the top of their agenda. Clearly, the intelligence agencies have little problem discerning the most important informational needs of a given administration and translating these into "standing intelligence requirements," which are then organized according to priorities. What is more difficult is for intelligence managers to predict and satisfy intelligence requirements with respect to secondary countries and issues that may demand increased attention by policymakers at some unknown future date. Similarly, shifts in policy sometimes result in the generation of entirely new intelligence requirements or a reordering of priorities. Such shifts were evident in the 1976–77 period with the escalating interest of the Ford and Carter Administrations in nuclear proliferation and in the early 1980s with the high priority the Reagan Administration placed on information about international terrorism and the flow of technology to Communist countries.

Because of unforeseen international developments or sudden shifts in an administration's foreign policy priorities, ad hoc requirements arise frequently and can often result in neglect of standing requirements. This has been particularly true in recent years during a number of protracted crises. In order to spot indicators of potential turmoil and provide warning, or at least respond effectively if a crisis erupts, the Community tries to maintain solid basic intelligence data bases on all countries and issues. Moreover, the Community needs the resources and personnel to satisfy consumers during a crisis without neglecting standing requirements that may well be more important in the long run. Unfortunately, these encyclopedic data bases, particularly on the Third World, have not been adequately maintained during the last decade. The people involved were diverted to support the U.S. military involvement in Indochina and were not replaced in the wake of the general post-Vietnam personnel reductions in the national security establishment.[5]

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4. Quoted in Richard K. Betts, "Intelligence for Policymaking," *Washington Quarterly*, Vol. 3, No. 3 (Summer 1980), p. 118.
5. Wallace Turner, "Inman Calls U.S. Intelligence Marginally Capable," *The New York Times*,

In the current system, the basic requirements guidance is contained in a document issued annually by the DCI, and updated periodically, entitled U.S. Foreign Intelligence Requirements Categories and Priorities. This document, along with another that highlights the most urgent requirements, the National Intelligence Topics, provides guidance for collection, analysis, and production management activities. Other components of the Community also issue general guidance documents. For example, the DIA issues a document known as the Defense Intelligence Plan, which, in conjunction with the DoD Plan for Support to Tactical Forces, provides DoD intelligence components with a general planning guide in the development of national and tactical military intelligence programs.

The DCI has several interagency committees for national intelligence collection. These committees are supported by members of the IC Staff, who respond to the DCI requirements documents and other guidance to plan for the collection of information about certain issues by relevant methods. The DCI collection committees also monitor the productivity of collection entities to ensure that requirements are being satisfied.

The next step in the intelligence cycle is the actual acquisition of information by various collection entities, not all of which are part of the Intelligence Community. Among the most important sources of intelligence on social and political developments are foreign and domestic media and reports, based on openly available information, of officers of various government agencies posted at U.S. missions around the world. Acquisition of intelligence by technical means is coordinated by the DCI, and collection operations are conducted by a number of intelligence organizations and the military services. Data, such as imagery, communications, and other signals across the electromagnetic spectrum, are collected from a variety of land-, sea-, air-, and space-based platforms. In addition, clandestinely acquired intelligence is provided by the CIA's Directorate of Operations (DDO) and the military intelligence services.

These collection systems produce a tremendous volume of information, which must be sorted, processed, and converted into "raw intelligence reports" that can be disseminated to intelligence analysts and in some instances, particularly with SIGINT, directly to policymakers. Ideally, process-

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April 28, 1982, p. A16; Bobby Inman, "The Decline of U.S. Intelligence," *Chicago Tribune*, October 3, 1982, p. II5; and Interview with Bobby R. Inman, "Assessing Government's Approach to Intelligence," *The New York Times*, July 5, 1982.

ing is accomplished according to established priorities, but dislocation can result as a consequence of the need to respond to crises. Several organizations process and produce unevaluated raw intelligence. Most of the imagery obtained from overhead systems is processed by the National Photographic Interpretation Center (NPIC), a joint CIA/DIA venture; however, other intelligence components maintain complementary imagery exploitation capabilities. The National Security Agency and the service cryptologic agencies have primary responsibility for the processing and dissemination of SIGINT. Other raw intelligence feeding into analysts for review are reports of foreign service officers, military attaches, and the CIA's DDO, as well as various media reports.

By definition, NPIC, NSA, and DDO do not produce finished—that is, all-source, evaluated—intelligence. However, this line between raw and finished intelligence is often obscured in practice. For example, NSA produces SIGINT reports that often incorporate data acquired from other sources. Similarly, NPIC's basic imagery reports often draw on collateral intelligence data. Since measures have recently been taken to increase interactions between the formerly rigidly compartmented disciplines, this line is apt to become less clear. Moreover, on many important issues, policymakers want to review relevant raw intelligence because their access to sensitive policy information makes them best able to draw conclusions.

Nonetheless, most finished intelligence represents a very careful review of information from all available sources by analysts or analytic teams very familiar with the topical issue or geographic region, who can place a series of narrow raw intelligence reports into a broader context. CIA, DIA, and INR are the principal producers of national-level finished intelligence. However, the military services and other agencies in the NFIP, such as the Departments of Treasury and Energy, also contribute to products where their particular expertise is relevant.

The production elements of the Community develop finished intelligence reports in response to a variety of standing and ad hoc national and departmental requirements. However, because intelligence must also educate and warn its consumers, some assessments are initiated by analysts and production managers in response to perceived needs of policymakers.

Among the Community's finished products, the National Intelligence Estimates (NIEs),[6] Special National Intelligence Estimates (SNIEs), and Intera-

6. In general, a National Intelligence Estimate (NIE) includes the Intelligence Community's

gency Intelligence Memoranda (IIMs) are designed to address the short- to mid-range concerns of senior policymakers. Current reporting ranges from the daily Community "newspaper," the *National Intelligence Daily* (NID), and DIA's daily intelligence report, the *Defense Intelligence Summary* (DINSUM), to weekly and monthly publications by various regional or functional components of several agencies. Many other informal papers are prepared in response to specific requests by senior policymakers.

Once an intelligence product, raw or finished, is completed, it must then be disseminated to the appropriate consumers if it is to have any value in the policymaking process. Finished intelligence is disseminated on a "need to know" basis to appropriately cleared personnel. The CIA and DIA produce publications at a variety of classifications ranging from the least sensitive to the most tightly held items limited to the most senior members of the government. For some assessments, CIA, DIA, and INR production managers also try to identify likely consumers and circulate announcements of recent publications that officials can order. A vast amount of finished intelligence, particularly directed at high-level policymakers, is transmitted in oral briefings and typescript memoranda. These means of conveying information are often tailored in response to specific requests. The oral briefing and typescript memorandum have become increasingly important "art forms" of the Intelligence Community that are often the best way to satisfy urgent requirements of high-level consumers. Personal briefings are also effective in stimulating interest or conveying the essential message of significant new assessments or estimates. All components of the Community could use this channel more effectively.

Evolution and Status of the Intelligence Coordination Process

The way in which the work of the Intelligence Community is orchestrated, as well as the composition of the players involved, has changed drastically

coordinated assessment of the situation in a particular country or with respect to an international issue and projections of likely trends or possible reactions to likely U.S. policies. Differences of opinion among Community components are expressed in parallel texts or footnotes. Many NIEs are issued annually; others are only updated when events warrant it. The "11-3/8" estimate of Soviet strategic nuclear forces, for example, is redone every year, but an estimate on Poland's future might only be redone in response to major developments. Special National Intelligence Estimates (SNIEs) are generally shorter papers addressing very specific, pressing policy problems. The other major form of coordinated intelligence reporting is the Interagency Intelligence Memorandum (IIM), which addresses particular issues and is generally not predictive in character. For example, the Community issued an IIM on U.S. capabilities to monitor the SALT II Treaty. Items in the *National Intelligence Daily*, which is prepared by the CIA, are generally coordinated with relevant components of the Community.

since the 1947 National Security Act chartered the CIA and the DCI to coordinate the government's intelligence activities. It is, therefore, important to consider how the President and the NSC have tasked the Intelligence Community and how the DCI's mandate has evolved over time. This broad review leads to the general conclusions that the Community needs more effective guidance and management from the top ranks of government, but that the Community *structures* for collecting and producing national intelligence are essentially sound.

THE PRESIDENT'S ROLE IN MANAGING THE COMMUNITY

All intelligence activities should ultimately either enlighten the decisions or further the policies of the President. The President has several mechanisms to help him direct and oversee the Intelligence Community, including the NSC and its staff, the Office of Management and Budget (OMB), the Intelligence Oversight Board (IOB), and the President's Foreign Intelligence Advisory Board (PFIAB). The NSC and the PFIAB are the bodies most deeply involved in the analytic functions of the Community.

THE NSC AND INTELLIGENCE FUNCTIONS. The National Security Council is the highest executive branch entity directing and overseeing all national foreign intelligence, counterintelligence, and special (clandestine) activities. The NSC and its various committees and subcommittees are also major consumers of all types of intelligence information in the fulfillment of their policymaking and coordination functions. Nonetheless, there is no question that over the years covert action and other sensitive activities have dominated the NSC's intelligence agenda.[7]

Under the terms of the 1947 National Security Act, the DCI serves as an advisor to the President and the NSC on intelligence matters and is authorized to make recommendations to the NSC on the coordination of such intelligence activities of the government "as relate to national security."[8] DCIs have been either integral or peripheral to the policymaking deliberations of the NSC, depending on their relationships with the President and their general style. In recent years the trend has been toward the former role. Admiral Stansfield Turner was deeply involved in providing information for many important decisions in the Carter Administration and saw the President

7. U.S. Congress, Senate, Select Committee to Study Governmental Operations With Respect to Intelligence Activities, *Foreign and Military Intelligence*, 94th Congress, 2d sess., 1976, Report 94-755 [hereinafter cited as the *Church Committee Report*], Book I, pp. 42–61.
8. National Security Act of 1947, Sec. 102(d), in HPSCI, *Compilation of Intelligence Laws*, p. 7.

frequently. William Casey is a close associate of President Reagan and is also the first DCI to serve simultaneously as a member of the cabinet. The impact of earlier DCIs on NSC deliberations has varied considerably. However, as the Church Committee concluded, even some of the most influential DCIs, such as Allan Dulles, enjoyed such reputations primarily because of their responsibility for clandestine operations rather than for the analyses they provided.[9]

Over the years the NSC has employed various cabinet-level committees and other senior working groups to deal with such matters as establishment of intelligence requirements and priorities, review of intelligence expenditures, and development of special activities.[10] While known by a variety of names, these committees have performed similar functions. For example, in the Carter Administration, the NSC Policy Review Committee (PRC) (comprised of the vice president, the secretaries of state, defense, and treasury, the national security advisor, the DCI, the chairman of the JCS, and other officials as appropriate) was responsible, among other duties, for oversight of certain intelligence activities. When dealing with intelligence matters—such as establishing intelligence requirements and priorities, relating these priorities to budget proposals and allocations, and reviewing and evaluating the quality of intelligence products—the PRC was chaired by the DCI. The Carter Administration handled other very sensitive intelligence activities in the NSC Special Coordinating Committee (SCC), which was chaired by the national security advisor and comprised of the statutory members and advisors of the NSC and other senior officials, including the attorney general and the director of OMB, as appropriate. The SCC submitted policy recommendations to the President on "special intelligence activities," reviewed proposals from the DCI for sensitive intelligence collection operations, and developed policy on counterintelligence activities.[11]

The Reagan Administration has created the Senior Interagency Group for Intelligence (SIG/I), chaired by the DCI, to coordinate the NSC's management of intelligence activities. Much like the Carter PRC, the SIG/I meets several times a year to review the quality of intelligence and assess the extent to which standing intelligence requirements have been satisfied or should be revised. However, this function has always been conducted in a perfunctory

9. *Church Committee Report*, Book IV, pp. 9–12, 63, 65–66.
10. Ibid., Book I, pp. 42–62.
11. Executive Order 12036, January 26, 1978, Parts 1-1 to 1-3, *Federal Register*, Vol. 43, pp. 3674–3692.

manner, with the process driven by Community collection and production managers.

The existing statutory basis for intelligence activities is fairly broad and ambiguous. Thus, in addition to the 1947 National Security Act and the 1949 CIA Act, each President's executive order on U.S. intelligence activities, presently Executive Order 12333, serves as the principal policy and organizational charter of the Intelligence Community. Presidents interested in new initiatives or reorganizations of intelligence functions have used executive orders, NSC intelligence directives (NSCIDs), and other executive branch documents to achieve such goals. The NSCIDs were known as the Intelligence Community's secret charter, because prior to the congressional investigations of the Community in the mid-1970s, these classified documents were not shared with the legislative branch. The NSCIDs have been used by the White House, *inter alia*, to delegate authority to the DCI and to set guidelines for the dissemination of intelligence information.

Between 1977 and 1980, Congress attempted to enact comprehensive, statutory charters for the CIA, NSA, and other components of the Intelligence Community. The several bills introduced during this period would have provided the NSC and the Community with legal authority that they presently lack, for certain functions, and established explicit missions for component agencies. For example, S. 2284, the National Intelligence Act of 1980, would have clarified the NSC's mandate to establish intelligence policy.[12] Moreover, the Act would have provided specific authority for collection of foreign intelligence by technical and human sources and for certain covert activities. Despite the strong support of many senior officials, this effort unfortunately faltered.[13] Legislative charters for intelligence activities would help the NSC improve its management of the Community by clarifying and legitimizing certain functions. Moreover, such charters could protect the

12. For an informed discussion of the charter debate see Anne Karalekas, "Intelligence Oversight: Has Anything Changed?," *Washington Quarterly*, Vol. 6, No. 3 (Summer 1983), pp. 23–25. The Senate hearings on S. 2525 and S. 2284 set out in great detail the debate over intelligence charters and include the text of S. 2525. See U.S. Congress, Senate, Select Committee on Intelligence, *Hearings: National Intelligence Reorganization and Reform Act of 1978*, 95th Cong., 2d sess., 1978; and U.S. Congress, Senate, Select Committee on Intelligence, *Hearings: The National Intelligence Act of 1980*, 96th Cong., 2d sess., 1980. For the text of S. 2284 see U.S. Congress, Senate, Star Print of S. 2284, "The National Intelligence Act of 1980," February 8, 1980.

13. U.S. Congress, Senate, Select Committee on Intelligence, *Intelligence Oversight Act of 1980*, Rept. 96-730, 96th Cong., 2d sess., 1980; and U.S. Congress, Senate, Select Committee on Intelligence, *Report to the Senate of the Select Committee on Intelligence Covering the Period January 1, 1979 to December 31, 1980*, Rept. 97-193, 97th Cong., 1st sess., 1981, pp. 6–8.

Community from pressures by the White House to engage in questionable activities.

THE ROLE OF THE PFIAB. The President's Foreign Intelligence Advisory Board is a lineal descendant of President Eisenhower's Board of Consultants on Foreign Intelligence Activities. The Eisenhower group, established in 1956 at the recommendation of the Hoover Commission on the Reorganization of the Government, was tasked to review a broad range of intelligence activities, including the quality of analysis. Creation of the Board was designed in part to preempt a movement in Congress headed by Senator Mike Mansfield to establish a Joint Intelligence Committee. The Board had become essentially defunct by the end of the Eisenhower Administration, but is credited with recommending improvements in the organization and management of the National Security Agency during the 1950s.[14]

The Board was revived by President Kennedy following the Bay of Pigs invasion, as the President's Foreign Intelligence Advisory Board (PFIAB). During the 1960s, the PFIAB played a significant role in advising Kennedy on the development of paramilitary and photoreconnaissance capabilities. The PFIAB was not particularly active during the Johnson Administration. However, President Nixon authorized a more action-oriented PFIAB. This new authority, in conjunction with a major turnover in membership, led to a greatly increased level of activity. The Nixon PFIAB's major accomplishments included directing that greater attention be given to economic intelligence; preparation of a yearly assessment, as a supplement to regular intelligence reporting, of the Soviet and Chinese ABM threat; and conduct of postmortems on alleged intelligence failures.[15]

The Rockefeller Commission's 1975 investigation of the CIA's domestic activities also reviewed the PFIAB's role. The Commission concluded that the PFIAB had not served as a watchdog over the Community and that the Board should be expanded in size and given a more specific mandate, including assessing the quality of foreign intelligence collection and estimates.[16]

In 1976, the PFIAB sponsored three "experiments in competitive analysis" of Soviet strategic military capabilities and intentions that collectively became known as the B-Team exercise. Teams of analysts from outside the govern-

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14. *Church Committee Report*, Book I, p. 63.
15. This was achieved in Executive Order 11460, March 22, 1969. See U.S. President, Foreign Intelligence Advisory Board, "President's Foreign Intelligence Advisory Board," October 20, 1981, p. 2 (mimeo).
16. U.S. President, Commission on CIA Activities Within the United States, *Report to the President* (Washington, D.C.: U.S. Government Printing Office, June 1975), pp. 73, 81.

ment were asked to write their own estimates using the same information available to the Intelligence Community. The Senate Intelligence Committee reviewed the exercise carefully and concluded that while the B-Team made some very useful recommendations concerning the estimative process, its utility was denigrated by leaks and a failure to fulfill its original mandate.[17] As the Senate report noted, rather than developing alternative estimates of Soviet strategic capabilities in the mid-1970s, the B-Team spent most of its effort developing a criticism of much earlier NIEs from a single, very conservative spectrum of opinion. Noting that the composition of the B-Team on Soviet objectives was "so structured that the outcome was predetermined," the Senate panel recommended that outside critiques of the NIEs should be conducted in the future by more broadly representative groups.

Early in his term President Carter abolished the PFIAB, partly due to the controversy surrounding the B-Team episode but primarily because the two congressional oversight committees and the Intelligence Oversight Board had by that time assumed most of the oversight functions stipulated in previous PFIAB mandates and recommended by the Rockefeller Commission. Moreover, the CIA has established a number of mechanisms for outside review of the NIEs and other finished intelligence products including use of consultants and a Senior Review Panel of distinguished scholars and former officials.[18]

President Reagan reestablished the PFIAB in 1981,[19] naming to it nineteen individuals, including five former members of the Board, with diverse backgrounds in private industry, research, and public service. Politically the Board is quite conservative and includes several Republican party activists. Since its reconstitution, the PFIAB has reportedly focused on developing the Intelligence Community's organization for dealing with technology transfer and counterintelligence issues. The Reagan PFIAB has a very small staff and has had little impact on the analytic process.

The utility of the PFIAB is a function of the quality and experience of its membership and the disposition of the President to seek its counsel. The two congressional intelligence committees can offer some of the counsel the

17. U.S. Congress, Senate, Subcommittee on Collection, Production and Quality, Select Committee on Intelligence, *Report on the National Intelligence Estimates A-B Team Episode Concerning Soviet Strategic Capability and Objectives*, Committee Print, 95th Cong., 2d sess., 1978, pp. 2–6.
18. Executive Order 11984, May 4, 1977, *Federal Register*, Vol. 42, p. 23129. For a discussion of the reasons behind this action see Dom Bonafede, "The CIA Under Turner—The Pleasures of His Company," *National Journal*, December 17, 1977, p. 1949.
19. Executive Order 12331, "President's Foreign Intelligence Advisory Board," in HPSCI, *Compilation of Intelligence Laws*, p. 307.

President needs, particularly regarding covert action and resource allocation, and the President's Science Advisor and outside experts have previously offered invaluable advice on technical intelligence collection systems. Nonetheless, because of its low profile, the PFIAB could offer a President the type of quiet, nonpolitical sounding board he sometimes needs on major new initiatives and might also provide an independent assessment of the quality and effectiveness of various intelligence activities. Thus, if pared to half its current size and composed of individuals from across the political spectrum with broad experience in intelligence and foreign affairs, the PFIAB could be a useful asset for a President inclined to use it constructively.[20]

THE OFFICE OF MANAGEMENT AND BUDGET. The OMB influences intelligence policy by providing the DCI with a budget target, monitoring the Community's budgeting process, and ultimately reviewing the NFIP budget proposals and justifications in completing the full budget. OMB also shaped the Community's structure through management studies. In 1960, a Budget Bureau study group recommended to President Eisenhower several initiatives to enhance management of the Intelligence Community including granting greater authority to the DCI, centralizing management of collection requirements, and providing NSA with stronger control of the service cryptologic agencies.[21] Eleven years later, following the recommendations of a study by OMB Director James Schlesinger, President Nixon implemented sweeping, basic reforms of U.S. intelligence activities, with emphasis on strengthening the authority of the DCI to improve the quality of intelligence production and to bring the Community's budget under control.

In its budget review process, OMB has often required the Community to justify procurement of expensive new technical collection systems on the basis of their likely contribution to the analytic product.

OMB remains an important and effective tool for the President to receive advice on resource allocation within the Intelligence Community from a well-informed perspective outside the NFIP.

THE DIRECTOR OF CENTRAL INTELLIGENCE

The DCI has three major, loosely defined roles. The National Security Act of 1947, which established the CIA, stipulated that it be headed by a Director

20. Former PFIAB Chairman Clark Clifford offered a contrary view. Commenting on the idea of recreating the PFIAB in 1978, Clifford testified, "I doubt a board of that size . . . who meet once a month can penetrate the situation enough to render much service." U.S. Senate, *Hearings: National Intelligence Reorganization and Reform Act of 1978*, pp. 30–31.
21. *Church Committee Report*, Book I, pp. 65–66.

of Central Intelligence. The 1947 Act also granted the CIA responsibility to coordinate the "intelligence activities of the several U.S. government departments and agencies in the interest of national security."[22] Finally, various executive orders since 1947 have designated the DCI as the President's principal foreign intelligence advisor. Over the years, most DCIs have met significant bureaucratic impediments or have been personally disinclined to perform all of these functions successfully. Resistance to the DCI's role as coordinator of all intelligence activities has persisted within the Intelligence Community since 1947. Several past DCIs have had little access to or influence over the President. With few exceptions, DCIs have either delegated most of their responsibilities for managing the CIA to deputies or have focused the bulk of their attention on the activities of the Directorate of Operations, rather than on the analytic and scientific directorates.

THE COORDINATION ROLE. While the 1947 Act and early executive orders granted the DCI authority to establish priorities in intelligence collection and analysis, they did not grant him budgetary or administrative control over departmental intelligence assets. Lacking command authority, the DCI could only employ various management devices to advise Community elements and to try to build consensus among them that national intelligence requirements can be satisfied without compromising departmental needs or interests. Given this somewhat hollow mandate as coordinator, most DCIs in the 1950s and 1960s opted to exercise their other two more clearly defined responsibilities.[23]

As the Church Committee concluded, the neglect of Community coordination during Allan Dulles's long tenure as DCI in the 1950s allowed competing capabilities among the Community's components to develop. John McCone was the first DCI who sought to assert his coordination role aggressively, and he succeeded only through the solid support of the President and the secretary of defense. The lack of this support to Richard Helms during the Johnson and Nixon Administrations, coupled with his own overarching interest in the CIA, precluded Helms from assuming a major role in coordination. The five most recent DCIs—James Schlesinger, William Colby, George Bush, Stansfield Turner, and William Casey—have all sought to expand their authority over the Community, to greater and lesser degrees, in accordance with different presidential mandates. Under the Carter executive order, the DCI's role as leader and senior manager of the Community

22. National Security Act of 1947, Sec. 102(d), in HPSCI, *Compilation of Intelligence Laws*, p. 7.
23. *Church Committee Report*, Book I, p. 44.

was strengthened to unprecedented levels. The Reagan order cast the DCI more in the role of a coordinator, rather than a manager, of Community affairs, and DCI Casey has adopted a more collegial, "board of directors" approach than his immediate predecessor. Casey reportedly relies on the advice of the National Foreign Intelligence Board, the council of leaders of the principal Community collection and production components, and uses "it more frequently to evaluate substantive issues."[24]

The principal Community coordination functions of the DCI are development of the National Foreign Intelligence Program (NFIP) budget, formulation of guidance for and implementation of national intelligence collection plans and, in conjunction with his role as advisor to the President, the coordination of national intelligence production.

RESOURCE ALLOCATION. In response to the findings of the Schlesinger study in 1971, President Nixon directed DCI Helms to plan and review all national and tactical intelligence activities and their budgets in a fashion that would rationalize intelligence priorities within certain budgetary constraints.[25] Thus, since 1971, the DCI has prepared recommendations to the President for a consolidated NFIP budget. However, the DCI's new mandate did not significantly enhance his bureaucratic clout. A new body, the Intelligence Resources Advisory Committee (IRAC), was created to assist the DCI in preparing the budget and monitoring resource allocation. The DCI's other management tools were the U.S. Intelligence Board (USIB), the predecessor of the National Foreign Intelligence Board, and about fifteen interagency committees and ad hoc groups. The USIB issued guidance to the entire Community on requirements and priorities. The DCI had, and still has, independent authority over only the CIA budget, which represents a small fraction of the NFIP budget. Virtually all other Intelligence Community resources were allocated in budgets under the control of the secretary of defense.

The DCI's role in the development of budgets for DoD components was essentially that of an advisor.[26] As a consequence of understaffing in his budget review component, the DCI had insufficient information and gener-

24. U.S. Director of Central Intelligence, Testimony of John E. Koehler, Director, Intelligence Community Staff, Before the HPSCI, "Reorganization of the Intelligence Community Staff," October 1, 1981 (mimeo).
25. U.S. President, "Announcement Outlining Management Steps for Improving the Effectiveness of the Intelligence Community: November 5, 1971," *Presidential Documents*, Vol. 7, p. 1482.
26. *Church Committee Report*, Book I, pp. 87–88.

ally no independent assessments to challenge DoD submissions. Thus, the DCI's NFIP budget recommendations were essentially an aggregation of the budgets proposed by the various Defense components and his own CIA proposal. The DCI did not present the President with any alternatives for allocation, and was seldom willing to expend the considerable political capital required to have the President overturn a Defense intelligence program.

In February 1976, President Ford reorganized the Intelligence Community, taking several actions that enhanced the DCI's role in the allocation of national intelligence resources, but reduced his authority over tactical intelligence programs to an essentially advisory capacity.[27] This had significant drawbacks because, although DCIs have not been extensively involved in tactical intelligence programs, occasional trade-offs between national and tactical collection and reporting requirements should be decided at the DCI level. Because it functioned for only one budget cycle, the effectiveness of this structure is difficult to evaluate.

Given the longstanding autonomy of the various components of the Community in the budget and requirements areas, it is easy to appreciate the bureaucratic turmoil that erupted when DCI Stansfield Turner moved vigorously in the late 1970s to realize the greatly expanded authority he was granted over these functions by President Carter's Executive Order 12036. This order gave the DCI an unprecedented "full and exclusive authority over approval of the National Intelligence Program Budget submitted to the President." The DCI was empowered to provide guidance to program managers and department and agency heads, who in turn were required to submit program and budget proposals to the DCI for approval. The DCI and his staff reviewed the various program and budget submissions, making additions and deletions, and, with the *advice* of the reconstituted NFIB and the other Community components concerned, submitted a consolidated budget to the President through OMB. The departments and agencies could appeal DCI decisions on budget or reprogramming matters. To accomplish these tasks, the IC Staff was greatly enlarged and policy, program, and budget specialists were added. As an additional control over resource allocation, the DCI was awarded "full and exclusive" authority for reprogramming appropriated funds, after consultation with the head of the affected department and the Congress.

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27. Executive Order 11905, February 18, 1976, *Federal Register*, Vol. 41; Nicholas M. Horrock, "Intelligence: Ford Plan May Have Rekindled Debate," *The New York Times*, February 21, 1976, p. 11.

In response to Turner's efforts to expand the DCI's control over the Community, Secretary of Defense Harold Brown named Admiral Daniel Murphy, a former Director of the IC Staff and Deputy Director of Central Intelligence, to the post of Deputy Undersecretary of Defense for Policy Review. Murphy was tasked to consolidate and strengthen management of DoD intelligence activities and organizations.[28] Murphy, NSA Director Bobby Inman, and other defense intelligence officials vigorously defended activities under their direction whose integrity or funding was threatened by DCI decisions that they believed were ill-advised. Despite the legitimate and often heated disagreements between defense intelligence components and the DCI, Admiral Turner and his IC Staff implemented valuable new procedures for more effective allocation of resources, particularly in costly technical collection programs. If these reforms had been fully implemented, the DCI would have achieved the kind of control over NFIP resources needed to manage the Community most effectively.

The Reagan Administration's plans for intelligence management were shaped by several figures who believed that the DCI's expanded control over the NFIP was detrimental to a number of activities, particularly Defense intelligence programs. Thus, it was no surprise that the Reagan Executive Order for intelligence, 12333, stipulated that the DCI "[d]evelop, with the advice of the program managers and departments and agencies concerned, the consolidated NFIP budget."[29] Secretary of Defense Caspar Weinberger named General Richard G. Stilwell, a long-time intelligence officer, to the post of Deputy Undersecretary of Defense for Policy, with responsibility for developing and coordinating DoD intelligence requirements and research, development, and acquisition priorities for collection and processing systems. The DCI's IC Staff was reduced in size and its authority in a number of areas scaled back considerably.

While the DCI has a much less sweeping mandate for control of intelligence resources under Executive Order 12333, he retains a strong charter for production of finished national intelligence. In practice, this trade-off appears to have satisfied the concerns of DoD managers about loss of control over their own programs. It appears that the NFIP budget recommendations to

28. For an illustration of the ire that Turner's management reforms spawned in the Defense intelligence community, see Benjamin Schemmer et al., "The Slow Murder of the American Intelligence Community," *Armed Forces Journal International*, March 1979, pp. 50–54; and Bonner Day, "The Battle Over Intelligence," *Air Force Magazine*, Vol. 61, No. 5 (May 1978), pp. 42–47.
29. Executive Order 12333, Sec. 1.5(n), p. 130.

the President again reflect essentially an aggregation of the budgets developed by program managers. The DCI still provides guidance and has "hearings" where program managers are required to justify their activities before interagency committees chaired by the IC Staff program monitor. However, the IC Staff's reduced capabilities are certain to make this process much less effective in the long term.[30]

In fairness, there is some question whether the IC Staff could ever deal effectively with the mass of intelligence programs they are expected to monitor and assess. Thus, much like congressional committees, program monitors are usually forced to zero in on a few key activities, many of which had gained considerable momentum. However, the Reagan Administration's budget process with its diminished central guidance and less systematic program review invites imprudent duplication of effort by various Community elements and neglect of important national concerns. For example, this decentralized budget process reinforces the tendency to concentrate resources on priority collection and production activities relating to the principal military threats, at the expense of other military and nonmilitary requirements. Continuation of this trend will undermine efforts to improve collection and analytic capabilities *vis à vis* social, political, and military developments in the Third World, where the U.S. is certain to confront more immediate challenges in the future. Vigorous congressional oversight of the budget process will be even more critical to guard against this and other potential misallocations of what are apt to be much less abundant financial resources for national security programs in the late 1980s.

COORDINATION OF THE REQUIREMENTS PROCESS. The DCI's other major function as coordinator of the Intelligence Community is the establishment of national intelligence requirements for collection and production. Here again, because each Community component has departmental requirements to satisfy, this has traditionally been an area where ambiguity has impeded the DCI's effectiveness. Until the 1970s, the DCI had no explicit authority to establish national requirements and very limited capability to assess the extent to which the Community was responding to his guidance. The DCI

30. The NFIP is broken down into several "programs" with various Community officials as program managers. For example, there is a CIA program budget developed by the DCI; a Consolidated Cryptologic Program budget developed by the Director of NSA; and a General Defense Intelligence Program, including all national intelligence activities of DoD and the services, assembled under the supervision of the director of DIA. Individuals on the IC Staff serve as program monitors for the DCI.

had simply issued guidelines concerning the type of data that should be collected and the major issues that should be addressed in reports.

In response to the 1971 Schlesinger study, the DCI was granted a stronger mandate to set requirements and to develop Community-wide plans. In addition, the IC Staff was established to assist the DCI in reviewing the Community's satisfaction of requirements and in monitoring consumer interests. However, the DCI's actual authority in this area was not correspondingly enhanced, and the NSC's Intelligence Committee (which rarely met) did not provide the DCI with the guidance he needed from policymakers.

In an effort to cope with these limitations, DCI William Colby established a guidance document known as the Key Intelligence Questions (KIQs), which would identify a very limited number of issues of greatest importance to consumers. Once the KIQs were identified, the National Intelligence Officers were supposed to meet with representatives of relevant collection and production agencies to develop responsive strategies. After these agencies assessed the extent to which they were already providing data that was responsive to KIQs, they were then to make commitments to collect additional intelligence and produce new reports. At the end of the year the IC Staff evaluated the Community's responsiveness.[31] This important innovation provided the DCI, for the first time, with a mechanism to monitor the extent to which Community components were focusing their resources on priority issues.

However, the KIQ process encountered several problems in practice. Because other national and departmental intelligence requirements documents continued to be issued, the KIQs were perceived as simply adding another layer of requirements. The KIQ process also met with strong resistance from collection and production agencies, several of whom appeared to respond only insofar as KIQ guidelines were consonant with their own plans. In addition, the evaluation process was highly subjective and structured in a way that precluded accurate comparisons of the Community's resource allocation and results *vis à vis* the KIQs. However, the central problem in this area remained the DCI's limited authority over the activities of most Community agencies. The DCI could only use the KIQ process to chide Community components, other than the CIA, about their failure to be responsive.

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31. Commission on the Organization of the Government for the Conduct of Foreign Policy, *Report* [hereinafter cited as *Murphy Commission Report*] (Washington, D.C.: U.S. Government Printing Office, June 1975), pp. 101–102; *Church Committee Report*, Book I, pp. 83–92.

Because most of the collection assets of the Community are under the control of DoD agencies, intelligence collection efforts have always been skewed toward military topics at the expense of political and economic ones. In the end, the KIQs were ineffective management tools.

The DCI's other control mechanisms over collection have been the NFIB collection committees—the Committee on Imagery Requirements and Exploitation (COMIREX) and the SIGINT and Human Resources Committees—through which the DCI is supposed to reconcile competing demands and ensure that the interests of the entire Intelligence Community are reflected in the operations of the various collectors. The collection committees provide directives to the operators as to the specific targets and the amount and frequency of coverage desired. The IC Staff works with the committees in assessing, on a technical level, the degree to which requirements have been satisfied. For example, the COMIREX might mandate coverage of a particular military facility twice each year to ensure that there have been no changes in its activity, and the IC Staff monitors the degree to which this requirement has been satisfied.

Traditionally, the DCI had difficulty involving the entire Community in the development of SIGINT requirements. However, since 1975, the National SIGINT Requirements System stipulates that the NFIB SIGINT Committee conduct a formal Community review and approval of all SIGINT requirements. The National SIGINT Requirements List (NSRL) is now the basic guidance document for NSA and includes SIGINT targets according to well-defined priorities, including cross-references to DCI and other national requirements. The director of NSA retains operational authority over that agency and develops NSA's actual collection plans.

The DCI has also encountered a number of problems coordinating human source collection, some of which have been due to the diversity and *modus operandi* of the organizations involved. Most importantly, the CIA's clandestine intelligence collection arm, the Directorate of Operations (DDO), objected to centralization of its tasking for fear its very sensitive collection operations might be compromised. The DDO resisted establishment of the NFIB Human Resources Committee (HRC) until 1974 and was instrumental in excluding from the HRC's mandate purview over operational details and internal management of collection agencies.[32] During the 1970s, the IC Staff began to issue, at the behest of the HRC and in coordination with managers

32. *Church Committee Report*, Book I, p. 86.

at CIA and the Departments of State and Defense, a National Human Intelligence (HUMINT) Collection Plan. This plan includes advisory guidance for HUMINT collectors, such as foreign service officers, in agencies outside the NFIP. Despite this increased cooperation, the effectiveness of the national plan is limited by the fact that it represents only one of a series of guidance documents levied on human source collectors by various components of the government.

Reacting to some of these management problems, the Carter executive order on intelligence attempted to provide the DCI with greater authority over the coordination of collection and production. DCI Turner undertook a number of initiatives to improve the production of national intelligence, including the development of new production planning mechanisms and the reorganization of the National Intelligence Council. In addition, Executive Order 12036 established the National Intelligence Tasking Center (NITC) under the direction, control, and management of the DCI and gave it responsibility for coordinating and tasking national foreign intelligence collection activities.[33] Staffed by civilian and military employees, the NITC had a mandate to transform the national foreign intelligence requirements and priorities developed by the NSC/PRC into specific collection objectives and targets for the Intelligence Community. The NITC was also to advise various departments and agencies that are not part of the NFIP concerning collection of foreign intelligence. In wartime, the DCI was supposed to transfer all the NITC functions to the secretary of defense. The DCI's Collection Tasking Staff (CTS) worked through the three DCI collection committees to minimize duplication and ensure coverage of targets according to agreed priorities. The CTS also monitored dissemination of collected intelligence and consumer satisfaction. Despite the development of a large staff, the NITC never realized its potential, stymied by bureaucratic resistance from various components of the Community and discontinuity in its leadership.[34]

DCI Casey opted, in general, for a more decentralized approach to managing and coordinating these activities. Under President Reagan's Executive Order 12333, the DCI's authority over the requirements process was diminished. The NITC was not continued and the IC Staff's Collection Tasking Staff was sharply reduced in size and authority. The IC Staff offices for imagery, signals, and human source collection continued to develop national-

33. Executive Order 12036, Secs. 1–5.
34. Michael Lideen, "Tinker, Turner, Sailor, Spy," *New York*, March 3, 1980, p. 40.

level requirements and priorities. However, under the Reagan order, the DCI retained "full responsibility" for the *production* of national foreign intelligence and authority to levy analytic tasks on departmental intelligence production organizations.

DCI Casey undertook several initiatives to enhance the coordination of national intelligence production and to ensure its responsiveness to policymakers' concerns. In March 1983, the DCI established a new body, the Intelligence Producers Council (IPC), to assist him in his intelligence production responsibilities. The IPC, chaired by the Deputy Director of Central Intelligence, includes senior representatives of the CIA, DIA, State/INR, and observers from the military intelligence services. The IPC is chartered to maintain the National Intelligence Topics (which replaced the KIQs), monitor the Community's responsiveness to these guidelines, convey producers' needs for information to collection managers, develop new initiatives to improve intelligence production, and serve as a consultative forum for Community production managers on issues of interagency concern. The IPC is supposed to issue quarterly reports on the Community's responsiveness to the National Intelligence Topics guidance and to identify gaps in collection and analysis. Analytic positions have been added to the IC Staff to assist the IPC in these activities. Because of its collegial, interagency approach, IPC could become an effective mechanism for building consensus on initiatives designed to improve the quality of national intelligence reporting. Moreover, each of the national production agencies has developed internal review groups and evaluation procedures. Nonetheless, with the exception of the CIA, the DCI still lacks authority to dictate the national collection or production priorities of the Community. This situation is apt to lead to neglect of critical national requirements, as it has in the past.

CAN THE DCI RUN THE CIA AND THE COMMUNITY EVENHANDEDLY?

As director of the Central Intelligence Agency, the DCI has policy and management authority over its analytic functions, clandestine activities, and development and operation of certain technical collection and data processing systems. Because of these responsibilities, a sentiment has always existed, particularly in the Defense Department, that the DCI cannot be a truly impartial arbiter over differences within the Community. On the other hand, there has been some concern in the CIA that the demands of Community duties or the President's political agenda can cause a DCI to neglect his responsibilities as manager and defender of the agency.

Out of bureaucratic loyalty, DCIs have occasionally favored the CIA in resource allocation or the development of estimates. For example, the two times before 1976 that the DCI raised a formal objection to a DoD intelligence budget recommendation with the President, the DCI obtained endorsement for CIA-developed alternatives.[35] Although on many occasions, a DCI's personal disposition has led him to support CIA positions in estimates, this does not mean that the DCI is a CIA "captive." CIA's virtual monopoly of the national estimates process prior to the mid-1970s simply reflected the agency's vastly superior analytic capabilities. In recent years, while the CIA remains preeminent in the development of NIEs and other coordinated intelligence reporting, these products have reflected the full and active participation of the entire Community.

Critics of the dual-hatted DCI have also noted that most DCIs have focused the bulk of their attention on nurturing the capabilities of the CIA and/or directing the agency's clandestine activities. The former preoccupation accurately characterizes the first few incumbents, while Allan Dulles, Richard Helms, and William Casey are known to have been deeply involved with the latter. Since covert action is so different from intelligence collection and analysis, the DCI's intimate involvement in such programs can erode the Community's credibility. As former DCI James Schlesinger noted:

> . . . [A]s long as the DCI has special responsibility for the management of clandestine activities, it tends to affect and to some extent contaminate his ability to be a spokesman for the Community as a whole involving intelligence operations which are regarded as reasonably innocent from the purview of American life.[36]

President Ford's executive order attempted to minimize these conflict of interest problems by establishing two deputies, one for Intelligence Community affairs, the other for CIA operations. Unfortunately, this structure also removed the DCI further from the CIA's analytic activities, by relegating

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35. *Church Committee Report*, Book I, p. 94.
36. Ibid., p. 95. Indeed, the erosion of the credibility of the Community's analysis on Central America during the Reagan Administration can be traced directly to the general perception that the DCI and other senior Community officials are so committed to ensuring the success of this covert action program that it has skewed the Community's analysis of developments in the region. See Philip Taubman, "Intelligence: Intra-Agency Rifts Laid to Nicaraguan Operation," *The New York Times*, August 5, 1983, p. B4; and U.S. Congress, HPSCI, *Staff Report: U.S. Intelligence Performance on Central America: Achievements and Selected Instances of Concern*, Committee Print, 97th Cong., 2d sess., 1982, pp. 22–23.

these functions to a deputy who was apt to be preoccupied by management of the Operations and Scientific and Technology Directorates of the Agency.

Reacting to these problems and the recommendations of the Church Committee, the Senate Intelligence Committee's proposed legislative charters split the DCI's current functions between two officials—a Director of CIA and a Director of National Intelligence (DNI) who would, following Senate confirmation, serve as Community coordinator and senior intelligence advisor to the President.[37] Proponents argued that a DNI freed from responsibilities for the CIA and the aforementioned conflict of interest would be better able to manage the entire Intelligence Community. One of the few officials to testify in favor of the DNI concept was Clark Clifford, a former PFIAB chairman, who argued that the President's chief intelligence advisor and Community coordinator cannot perform either of these functions adequately so long as he is tied to the CIA as its administrative director. Moreover, Clifford felt a DNI, by virtue of his direct link to the President, would strengthen the NSC's inadequate oversight of covert action and clarify lines of authority in the Community.[38]

Opponents of the DNI concept noted that the CIA was established and remains uniquely qualified to support the DCI in his role as senior intelligence advisor to the President. If the DCI's direct ties to the CIA were severed, he would have to develop an analytic support element, analogous to and possibly on the scale of the IC Staff's budget and tasking offices. This duplicative bureaucratic layer would be necessary to enable the DNI to function as the government's senior intelligence advisor; otherwise, he would be a mere figurehead drawing information from various agencies in a haphazard fashion. Several critics commented that such a move would demoralize the CIA, but more importantly, it would isolate the DNI. As William Colby aptly noted, removed from the more detached milieu of the CIA, the DNI would probably be drawn into White House politics to such an extent that he would begin to view intelligence as a means of supporting rather than enlightening policy. Finally, the charter hearings illustrated the speciousness of the argument that a DCI with links to the CIA would inevitably favor the agency. The principals of other Community components have mechanisms, which

37. U.S. Senate, *Hearings: National Intelligence Reorganization and Reform Act of 1978*, pp. 860–874; U.S. Senate, *Hearings: The National Intelligence Act of 1980*, pp. 63–72.
38. U.S. Senate, *Hearings: National Intelligence Reorganization and Reform Act of 1978*, p. 13. See also Robert F. Ellsworth and Kenneth L. Adelman, "Foolish Intelligence," *Foreign Policy*, No. 36 (Fall 1979), pp. 158–159.

they have repeatedly used, to take their case directly to the President, OMB, or intelligence consumers. The most damning but silent commentary on the DNI concept may be the fact that in all their efforts to expand the DCI's authority, the Carter Administration did not opt to establish the position of DNI.[39]

I see no compelling reason to separate the DCI from CIA. The DCI should retain easy access to the CIA's analytic support functions because of its broad capabilities and insulation from the pressures of departmental policy interests that other components confront. Neither the CIA nor the Community have suffered under recent divisions of labor. Under Admiral Turner, the Deputy DCI dealt with day-to-day CIA administration. Under Director Casey, the Deputy DCI has managed Community coordination responsibilities, with many CIA administrative duties being handled by the executive director of the Agency.

Initially, DCI Casey brought the NIC directly under his supervision. In 1983 the CIA Deputy Director for Intelligence was once again named chairman of the National Intelligence Council. This move has not really diminished the DCI's links to the analytic process. It may eventually solidify the CIA's rightful leadership role in the development of coordinated national intelligence products. However, closer relations between the NIC and the CIA's analytic arm have rekindled DoD concerns regarding CIA domination of the estimates drafting process and caused DoD to question the NIC's interagency character. So long as the drafting process continues to involve all agencies on the basis of appropriate expertise and the NIC's Analytic Group is comprised of analysts from throughout the Community, these concerns can be allayed.

The President and Congress should also ensure that the DCI is not so immersed in the details of running the DDO and covert action programs that his Community management role is neglected and the analytic process distorted. Some have advocated making the DDO a separate entity accountable directly to the NSC, leaving all other CIA functions under the DCI. However, removal of the DDO from CIA would have several undesirable effects. Foremost, it would reduce the stature of the DCI and complicate his access to some of the unique kinds of intelligence that only the clandestine service can

39. U.S. Senate, *Hearings: National Intelligence Reorganization and Reform Act of 1978*, pp. 46–47, 52–59, 81–82, 99–100, 211, 222–225; U.S. Senate, *Hearings: The National Intelligence Act of 1980*, pp. 207–208, 218–219.

provide. It would also perpetuate the barriers to communication between DDO officers and DDI analysts, an always strained dialogue which has grown modestly in recent years.

The current organizational configuration, with the National Intelligence Council chaired by the Deputy Director for Intelligence at the CIA and directly subordinate to the DCI, holds the potential of minimizing the aforementioned distortion of the analytic product and the DCI's focus. However, these and other structural arrangements will be meaningless if a DCI perceives, as many have, that their overarching mission and real bureaucratic clout rest with their management of covert action. It will always be up to the President and the congressional oversight committees to demand the appropriate balance of purpose from future DCIs.

Making National Intelligence Estimates

The process by which the National Intelligence Estimates (NIEs) and other major interagency intelligence products are assembled has always been the subject of intense controversy triggered by substantive differences, bureaucratic rivalries, and genuine analytic failures. In the midst of this maelstrom, the quality, accuracy, and utility of the estimates have, from a policymaker's perspective, varied considerably. From a historical perspective, the current system, with some exceptions, functions quite well: it has developed estimates that are on a par with the best the Community has ever produced. Nonetheless, some important shortcomings remain.

OFFICE OF NATIONAL ESTIMATES

In 1950, DCI Walter Beddel Smith initiated a major reorganization of the CIA. One of Smith's most important innovations was the establishment of an Office of National Estimates (ONE) charged with the exclusive mission of producing the NIEs, which the CIA's existing analytic arms had had limited success in coordinating.[40] The ONE had two components, the National Estimates Board and the drafting Staff. The Board was a group of about twelve senior generalists in international affairs who, in consultation with policymakers and representatives of other intelligence agencies, developed an annual NIE production plan. Individual Board members reviewed initial Staff

40. Ray S. Cline, *The CIA Under Reagan, Bush and Casey* (Washington, D.C.: Acropolis Books, 1981), pp. 133–134, 142–145, 156–162; *Church Committee Report*, Book IV, pp. 16–20.

drafts and negotiated final estimate language. The Staff, which was never larger than thirty officers, included both generalists and regional specialists, drawn largely from the CIA, who solicited information from analysts throughout the Community and prepared initial drafts. ONE also retained the services of a distinguished panel of outside consultants who reviewed draft estimates and provided general counsel to the Board.

The development of an NIE began when a member of the Board circulated "terms of reference" that outlined the scope and content of the estimate and designated the offices expected to contribute to each section. The ONE Staff assembled the various contributions and wrote the first draft, which would then be reviewed by the Board member and rewritten in consultation with the contributing agencies. The Intelligence Advisory Committee (later the U.S. Intelligence Board), comprised of senior representatives of Community components, would review the final draft and either insert dissenting footnotes or ONE could agree to redraft the estimate to reflect the dissents. The finished NIE was then issued over the signature of the DCI as representative of the considered views of the entire Intelligence Community.

At the outset, ONE was by design entirely dependent on departmental contributions for research support and inputs. Given bureaucratic rivalries, this process proved cumbersome. As CIA's independent research and collection capabilities expanded during the 1950s and 1960s, and since it was located physically at CIA Headquarters, ONE inevitably relied increasingly on the CIA in the development of draft NIEs. Despite the contention of former ONE staff members that due consideration was given to the contributions of analysts throughout the Community, the initial drafts were perceived as essentially CIA products.[41]

In addition to resentment of CIA control of the drafting process, the mechanics of coordination were complicated and differences persisted over the appropriate scope and format for the estimates. The mechanisms for senior policymakers to identify their informational needs and for Community review of various drafts were cumbersome to the point of delaying issuance of final estimates. As for format, the military services favored descriptive pieces, whereas many in ONE felt that the estimates should address issues and problems that policymakers were likely to encounter in the future. Differences over the scope of NIEs, particularly whether military estimates

41. Chester L. Cooper, "The CIA and Decision-Making," *Foreign Affairs*, Vol. 50, No. 2 (January 1972), p. 224.

should include net assessments of the significance of various foreign military threats in the context of countervailing U.S. capabilities, were never adequately resolved.

The utility and influence of the estimates produced by the ONE varied considerably. During the Truman Administration, ONE appears to have had a considerable degree of influence over policy decisions, due largely to the stature of DCI Beddel Smith, who regularly briefed NSC meetings. Some former staffers feel that the "salad days" of ONE came during the Eisenhower Administration, whose highly structured NSC decision-making process on major new initiatives always included the tasking of an intelligence estimate. While the DCI routinely briefed the NSC on their principal judgments, the NIEs rarely reached their intended consumers directly. An ONE survey of NIE consumers in 1955–1956 revealed that senior policymakers were not reading the NIEs. Rather, the estimates were used by second and third echelon officials for background in briefing cabinet officers and the President.[42]

In the much less structured decision-making milieu of the Kennedy and Johnson Administrations, more timely intelligence assessments responsive to specific questions were more valued than the NIEs. Moreover, the decision-making processes of these administrations tapped a wide array of expert analysis inside and outside of government. Distrust of the Community by President Nixon and other senior officials in his administration reduced the role of the NIEs further, and intelligence officers felt that they were simply providing research services for the NSC staff, which was developing its own estimates.[43]

But the decline of the estimates' role in the policymaking process is in large measure a commentary on the documents themselves. The collegial process of drafting and redrafting tended to produce a consensus product in the main text with divergent views often relegated to footnotes. Indeed, as the Murphy Commission concluded, the NIE drafting process "tended to produce better estimates of what the Community could agree upon rather than what policymakers needed to know."[44] Because of the murky language or carefully hedged judgments, policymakers were reluctant to place much

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42. *Church Committee Report*, Book IV, p. 57.
43. Cooper, "The CIA and Decision-Making," pp. 227–228; Henry Kissinger, *White House Years* (Boston: Little, Brown, 1979), pp. 11, 36–38.
44. *Murphy Commission Report*, p. 103.

stock in NIEs. As McGeorge Bundy, President Kennedy's national security advisor, testified in 1978:

> [T]o this day you can read National Intelligence Estimates, and what they will say to you is that you had better get into the same room with the people who are in that process and ask them just what that sentence means because the sentence is obviously designed to hold in place six or eight different agencies.[45]

Moreover, the actual predictive record of the NIEs during the 1950s and 1960s was uneven. The *Pentagon Papers* revealed that while the NIEs on Vietnam were relevant to, but quite independent of, policy decisions and generally accurate in predicting likely developments in the war, they were often ignored.[46] With regard to Soviet strategic military capabilities and intentions, it is clear that the NIEs both overestimated and underestimated the pace and scope of certain aspects of the threat, but were quite accurate in predicting the most important trends.[47]

Most informed observers agree that ONE's overall predictive record was about as good as could be expected given the inherent uncertainties of the estimative process. Moreover, there is no question that ONE produced estimates of exceptional intellectual rigor and great independence of judgment. However, even its staunchest defenders admit that by the late 1960s the ONE had become an insular organization whose estimates had deteriorated in quality and were not reaching their intended audience.

THE NATIONAL INTELLIGENCE OFFICERS

Kissinger and Schlesinger concluded after the latter's 1971 study of the Community that some mechanism other than ONE must be created to make the estimates more responsive to policymakers' concerns. Some ONE defenders argue that what Kissinger sought was an organization that would be more supportive of policy than ONE had been. By the time William Colby assumed the DCI's position from Schlesinger in mid-1973, ONE's ranks were depleted.

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45. U.S. Senate, *Hearings: National Intelligence Reorganization and Reform Act of 1978*, p. 76.
46. Cooper, "The CIA and Decision-Making," pp. 228–234.
47. This record on estimating was officially acknowledged in U.S. Congress, Senate, Select Committee on Intelligence, *Principal Findings of a Report to the Senate on the Capabilities of the United States to Monitor the SALT II Treaty*, Committee Print, 96th Cong., 1st sess., 1979, pp. 1–4. A comprehensive and balanced review of the Community's record, which draws on many open sources, is found in John Prados, *The Soviet Estimate: U.S. Intelligence Analysis & Russian Military Strength* (New York: Dial Press, 1982), esp. pp. 294–296.

Colby had "some doubts" about the role and substantive contributions of ONE and recognized that ONE was having a detrimental effect on the CIA's influence with senior policymakers. He, therefore, disbanded the ONE and established the positions of National Intelligence Officers.[48]

Colby envisioned that eleven NIOs, with responsibility for various geographic and functional areas, would serve the DCI as senior advisors on substantive issues within their respective bailiwicks and as a management tool in the coordination of Community intelligence collection, production, and other activities. The NIOs were also designated to be the principal contact points between the Intelligence Community and policymakers, expediting the flow of relevant intelligence "downtown" and ensuring that Community production elements were apprised of policymakers' informational needs. Thus, the NIOs have advised DCIs on collection shortfalls and ways to rectify them, priorities in intelligence collection and production, resource allocation questions, and satisfaction of requirements by Community elements.

Regarding the estimates and other interagency intelligence production, the NIOs were not given a drafting staff because they were expected to assign papers to expert analysts or groups of analysts throughout the Community. Colby placed clear responsibility for judgments in the estimate on the shoulders of the NIO with the expectation that this would preclude the fuzziness of NIEs that emerged from the committee drafting sessions of the ONE Board. Colby felt that the principal thrust of the intelligence was often submerged in ONE consensus language designed to reflect varying interpretations of the data.

Several observers, particularly those who felt ONE had been abolished for the content rather than the quality of its estimates, argued that, under the new system, the estimates would be more vulnerable to politicization in two ways. Not only would the NIO be anxious to please policymakers with whom he was in close contact, but drafters would now come from components of the Community with various policies or programs to protect. In this regard, it was noted that, whatever its shortcomings, the corporate nature of the ONE was better able to protect its independence than a solo NIO.[49] Others

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48. William Colby and Peter Forbath, *Honorable Men: My Life in the CIA* (New York: Simon and Schuster, 1978), pp. 351–53.
49. William J. Barnds, "Intelligence and Policymaking in an Institutional Context," *Murphy Commission Report*, Vol. 7, pp. 37–38; John W. Huizenga, "Comments on 'Intelligence and Policymaking in an Institutional Context' [Barnds]," *Murphy Commission Report*, Vol. 7, pp. 43–44.

argued that drafting of estimates involved certain skills that few expert specialists in the Community possessed, and that the lack of a central staff for drafting and reviewing the estimates would erode the DCI's control over their quality. Some felt that while Colby appeared to be moving to strengthen the DCI's management of the Community, the abolition of ONE removed the only staff component he had for coordination of the substantive work of the Community, which the NIOs could not replicate.

While some of the fears of excessive politicization of the analytic process proved overstated, the NIO system did encounter a number of these, and other, problems during its first decade of operation. Much like the ONE, the NIOs soon came to rely on CIA's DDI for the bulk of their analytic support; they became closely identified with the CIA, rather than realizing Colby's design that they be Community officers. Lacking a collegial consciousness, the NIOs tended to operate quite independently of one another. Rather than focusing on broad issues and directing the long-range analytic planning, the NIOs tended to become immersed in coordination of intelligence support to crisis management efforts and the drafting of quick reaction papers for high-level policymakers.

Most importantly, the quality and utility of the estimates and other coordinated memoranda did not, for the most part, improve, and many long-time observers argued that they deteriorated. One of the principal problems was the disorganized, ad hoc nature of the drafting process. Drafting of many of the larger estimates was turned over to committees of experts from various Community production offices. The enormous time and energy they expended in negotiating NIE language had an adverse impact on other production schedules, and the estimates tended to contain extensive detail and lack the broader perspective that a generalist could provide. In other cases, those NIOs or assistant NIOs who assumed responsibility for drafting NIEs were often diverted by their other duties for extended periods, so that completion of important estimates was sometimes stretched out over *years*. Annual production of NIEs and Special NIEs dropped from about 50 in 1973 to as few as 12 in the late 1970s.[50] The net effect of these production problems was a further erosion of the influence of NIEs, IIMs, and other coordinated papers. Other forms, particularly short typescript memoranda prepared by

50. Philip Taubman, "Casey and His CIA on the Rebound," *The New York Times Magazine*, January 16, 1983, p. 21.

the NIOs in response to specific requests from policymakers, proliferated as substitutes for more traditional reporting.

To address many of these problems, DCI Turner reorganized the NIO system in early 1980 into a corporate body known as the National Intelligence Council (NIC). The NIC has begun to resemble the ONE in many respects and to realize many of Colby's original hopes for the NIO concept. NIOs without specific portfolios—NIOs at large—and more assistant NIOs were added to give the NIC more depth. Procedures for coordinating the NIEs were routinized to ensure continuity of the drafting when the NIO managing the paper was diverted. There has been some progress in recruiting NIOs and assistant NIOs from outside the Intelligence Community. However, more could still be done to utilize this infusion of "outside" expertise so as to enhance the NIC's dealings with other elements of the government and to serve as a check on institutional biases. What must be guarded against are NIOs who are overly interested in policymaking or in aiding realization of an administration's political agenda, as some NIOs from outside the Community have been.[51]

The individual NIOs have retained their status as the DCI's senior advisors on their respective areas of responsibility and as the principal interlocutors with the policymaking community. While the NIC structure has fostered more interaction among NIOs in the development of papers, it has not, as many ONE partisans hoped, assumed the kind of collective responsibility for finished products that the Board of National Estimates did. However, other review mechanisms have been utilized. A permanent Senior Review Panel of distinguished international affairs experts was established to review draft estimates, and use of outside consultants for this purpose has been expanded. Over the past few years, the Senior Review Panel has also been doing assessments of fifteen major historical intelligence problems and retrospective evaluations of many estimates.[52]

Perhaps the most important innovation of this reorganization was the creation of an NIC drafting staff, known as the Analytic Group (NIC/AG),

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51. Several Democratic members of the Senate Foreign Relations Committee sent a letter to DCI Casey complaining that a briefing on Central America ". . . bordered on policy prescription rather than straightforward analysis of available data." Quoted in Gerald F. Seib, "Long Out of Fashion, Spy Agencies Now Get Priority in Washington," *The Wall Street Journal*, March 5, 1982, p. 1.
52. George V. Lauder, Director, Public Affairs, CIA, "Letter to the Editor," *Foreign Policy*, No. 58 (Spring 1985), p. 171.

which is similar to, but smaller than (about 15 analysts), the ONE Staff. The NIC/AG has drawn high-caliber analysts from throughout the Community and elsewhere, in and out of government. As its ranks have filled out, the NIC/AG has become responsible for the drafting of nearly a third of the estimates and it coordinates these drafts with expert analysts throughout the Community. Most of the major military estimates and IIMs continue to be drafted by interagency groups of analysts, and some papers, particularly IIMs on very specific topics, have continued to be drafted by analysts with recognized expertise. However, the timeliness of these military estimates has improved in recent years. Production of NIEs and other coordinated papers during the NIC's first year of operation was more than double the previous year's effort. Streamlining of the drafting process has left more time for formal review of the estimates in the NFIB.

The NIC and its Analytic Group have alleviated some of the organizational problems that hampered the work of the NIOs. Other, more subtle and complicated, initiatives are underway to improve the quality of the estimates and the various offices that contribute to them.

The marked decline in the predictive accuracy and timeliness of the NIEs was most dramatically highlighted by the draft 1978 NIE on Iran which, while never actually issued, failed to foresee the fall of the Shah; this trend triggered high-level interest in the state of the estimates.[53] President Carter complained openly about the poor quality of intelligence analysis reaching him. It was generally agreed, even within the Community, that structural reforms alone would not remedy this situation.

William Casey, who took office in 1981, vowed to restore the NIEs as the centerpiece of the Community's analytic efforts, and he has been fairly successful in doing so. Casey first moved the NIC directly under his authority and instructed the NIOs to ensure that the entire Community be involved in drafting NIEs. Casey has also encouraged a practice, initiated by his predecessor, of clear delineation of differences of opinion in the main body

53. It is unfair to characterize the Community's performance as simply an intelligence failure because of the much larger policy issues that complicated this episode. Clearly, as a House Intelligence Committee study concluded, policymakers were not served as well as they needed to be. Moreover, the Iranian episode did trigger considerable soul-searching within the Community about the adequacy of the estimates process. For an assessment of the Community's performance see U.S. Congress, HPSCI, *Iran: Evaluation of U.S. Intelligence Performance Prior to November 1978*, Committee Print, 96th Cong., 1st sess., 1979; and Abdul Kasim Mansur [pseud.], "The Crisis in Iran: Why the U.S. Ignored a Quarter Century of Warning," *Armed Forces Journal International*, January 1979, pp. 29–30.

of the estimate text rather than submerging divergent views in footnotes.[54] A fast-track estimate process, which accelerated the coordination process, was developed to speed urgent estimates to policymakers.

Under Casey's more collegial management style, the role of the NFIB in the NIE review process has been enhanced. This is a generally positive development, but it could have drawbacks. Ultimately, the DCI is supposed to issue the NIEs under his name with the advice of the NFIB. The DCI, with his broader focus, should remain the driving force in this process, not just one among equals. Clearly, DCI Turner's effort in 1980 to draft his own summary of the NIE on Soviet strategic intentions and capabilities should not be repeated.[55] Nor should the DCI force redrafting of estimates to suit policy needs, as Casey allegedly did on estimates of Soviet support to international terrorism and developments in Central America.[56] Nonetheless, if the DCI and NIOs are not forceful in shaping and guiding NIEs through the review process, they could become simply amalgams of disparate views within the Community that leave policymakers thoroughly confused. This would render the NIEs as useless as the overly hedged committee consensus products that Colby wanted to avoid. Provision of differing views should not obscure the facts and the central thread of the Community's best judgments.

Enduring Issues

The Community and its various components must still confront many important shortcomings. Nonetheless, the coordination of national intelligence collection and production activities has reached a generally sound and effective state of evolution. The DCI's diminished authority over shaping the NFIP budget and collection and production requirements under the Reagan executive order was an unfortunate development and should be reversed. However, vigorous congressional oversight can mitigate some of the short-

54. David Wise, "Bill Casey at the CIA Helm: Quietly in Control," *Newsday Magazine*, July 11, 1982; Suzanne Garment, "Casey's Shadows: A Greater Emphasis on CIA Analysis," *The Wall Street Journal*, July 16, 1982; Robert C. Toth, "Casey Shapes Up the CIA, Survives as Top Spy," *The Los Angeles Times*, January 3, 1983.
55. Turner's summary involved net assessments and was so much at variance with the main text that DIA and the military services dissented from it in entirety. See Michael Getler, "Soviets' Power Sparks Intelligence Rift," *The Washington Post*, May 9, 1980, p. 1.
56. Robert Parry, "Senior Analyst Says He Quit CIA After Refusing to Rewrite Report," *The Boston Globe*, September 26, 1984, p. 4.

comings in planning and budgeting resulting from that order. Indeed, the most valuable contributions of the two principal congressional oversight committees to the coordination process have been in resource allocation. While collection and production activities are still not totally responsive to policymakers' requirements, this is not solely the fault of the Community. Policymakers must take greater pains to articulate their informational needs.

Regarding the estimates, the National Intelligence Council and its Analytic Group have begun to revitalize the drafting process, and the final products have improved in both timeliness and quality. The Community has generally resisted attempts at overt politicization of its analyses. However, Congress and other oversight bodies must continue to guard against the more subtle influences that can distort analysis and the selective public disclosure of intelligence information by senior policymakers attempting to shore up support for various initiatives.

Some of the Community's structural shortcomings could be addressed in a new, permanent legislative charter for the Intelligence Community. The existing legal underpinnings for the coordination of national intelligence were drafted in a very different era and are clearly inadequate today. Stansfield Turner has noted one of the principal benefits of such a charter:

> Periodic changes in executive orders are inevitable. But a permanent charter can insulate the Intelligence Community from the seasonal vogues of domestic politics. Without a charter defining its mandate, the CIA can not resist pressure from an Administration to undertake potentially questionable activities.[57]

It is involvement in just such "questionable activities" that could destroy the fragile domestic consensus that still exists for rebuilding intelligence capabilities. After a decade of turmoil, the Community needs a period of relative tranquility and strong, but prudent, financial and other support to rebuild critical capabilities that have eroded and to develop new skills to meet a broad array of emerging challenges.

The Community is well prepared to warn national decision-makers of hostile military actions by the principal adversaries of the U.S. However, it still has a good way to go in restoring its data bases and improving its analytic and collection activities *vis à vis* social, political, and economic developments, particularly in peripheral areas. Enhancement of the analytic

57. Stansfield Turner and George Thibault, "Intelligence: The Right Rules," *Foreign Policy*, No. 48 (Fall 1982), p. 138.

process will require more and better-trained analysts and researchers, complemented by adequate support services. More senior analyst positions need to be created so that the best analysts can advance in their careers without assuming administrative burdens. In addition, policymakers could help improve the responsiveness of the Community's analytic product by providing better data on *U.S.* policy initiatives and military capabilities and plans.

Despite what some allege, competitive analysis within the Community is flourishing today, although it is important to avoid unnecessary duplication of effort. Personnel policies should also encourage recruitment of mid- and senior-level analysts from outside the Community. Analysts with clearly divergent views should be among those who are recruited in order to safeguard against the development of CIA or even Intelligence Community mindsets that can spawn corporate biases and assumptions detrimental to the analytic process.

It cannot be reported that all is well with the Intelligence Community. Indeed, the controversy generated by the Reagan Administration's apparent conviction that covert action can be a substitute for rather than a tertiary element of U.S. foreign policy in certain regions has hampered the Community's recovery. Nonetheless, intelligence analysis and collection activities are generally improving and resistant to political pressures. Effective management by a strong DCI coupled with judicious guidance and oversight by the President and Congress can keep the Community on this latter course.